

S E C R E T

DCI BRIEFING

16 May 1961

SOUTH VIETNAM

- I. President Diem's regime is threatened by stepped-up Communist military political drive directed from North Vietnam with aim of eventually reuniting country under Communists.
 - A. This aim clearly spelled out in statements Communist leaders in Hanoi and in steady propaganda barrage against "US-Diem clique" in South.
 - B. Communist guerrillas, through local recruitment and infiltration from North via coast or overland trails, have increased numbers since late 1959 from estimated 3-5,000 to 12-14,000.
 1. This, despite South Vietnamese army claims that over 6,000 guerrillas killed in 1960.
 2. During same period, areas of guerrilla terrorism, assassinations (about 1200 in 1960) and attacks on government posts spread from southern delta strongholds to outskirts of Saigon and mountain areas to north.
 3. In recent months, Communists also stepping up political agitation early this year Hanoi launched "National Front for the Liberation of South Vietnam" disguised as spontaneous anti-Diem movement in South.
 - C. Communists enjoy sanctuaries across border in Laos and in Cambodia.
 1. Strained relations between Diem and Sihanouk prevent cooperation along Cambodian border.

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- II. Diem fears that following Communist gains in Laos pressure from North Vietnam will increase; infiltration of men and supplies via Laos will be facilitated.
- A. As result recent Communist activities in southern Laos, Diem has a small ~~20,000-man special~~ force few miles inside Laos, aiding Laotian government troops along road entering northernmost part South Vietnam from Laos.
- III. To deal with guerrillas and threat from North Vietnam's 270,000-man regular army, US to support 20,000-man increase in Diem's 150,000 armed forces, an increase of the local Civil Guard from 48,000 to 68,000, and some help to the poorly-equipped 40,000-man village "self defense forces."
- A. Diem has this month signed decrees reforming the military command structure and establishing a central intelligence organization.
- IV. Government has been faced with considerable popular discontent, notwithstanding Diem's show of strength in April presidential election. He received nearly 89 percent of vote in 90 percent turnout.
- A. Insecurity and harsh measures by local officials have made wide segments of rural population apathetic.
- B. Intellectuals in Saigon and abroad increasingly vocal in protesting Diem's authoritarian rule, government inefficiency, nepotism and corruption.
- C. Some military officers complain operations against Communists hindered by Diem's political interference and undermined by government's inability to mobilize popular support.

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- D. Since abortive coup d'etat last November by non-Communist paratroops, grumbling has continued among military and government circles over Diem's failure to profit by warning.
- V. Diem taking some steps to meet this dissatisfaction, such as recent military reforms and gestures to ease curbs on press, national assembly, political activity.
 - A. Continues to assert he is about to implement cabinet reorganization promised in February, but no firm steps yet taken.
 - B. Reluctance to permit any effective liberalization (Diem argues true democracy must await more stable base) may encourage further intriguing by non-Communist opponents who fear his methods are not defeating Communists.
 - C. These groups have no ready alternative to Diem's leadership. Should they take any rash action against him, Communists are now better alerted than in November to exploit it.

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